Next Generation Political Action Committee FEDERAL ELECTION
1440 New York Ave NW
Washington, DC 20005
What -5 P 12: 57
May 4, 2000

Ms. Antoinette Kitchen Reports Analyst Federal Election Commission 999 E Street, NW Washington, DC 20036

Re: Next Generation Political Action Committee

Dear Ms. Kitchen:

Please accept this letter as clarification of the apparent "limited disclosure of payments for administrative expenses" as referenced in your letter dated April 26, 2000.

All payments for administrative expenses (including, but not limited to: telephone, temporary staffing, office supplies, and equipment) are incurred by Nancy Jacobson Consulting. These expenses are subsequently billed to the Committee by Nancy Jacobson as part of her "consulting fees" and are disclosed on the appropriate lines of the Reports of Receipts and Disbursements.

Legal services for the Committee are provided by Skadden Arps, Slate, Meagher & Flom, LLP, and are also itemized on the reports.

Finally, expenses for the use of facilities are also itemized when incurred and are reported on line 21(b) of the Reports of Receipts and Disbursements.

If you should need further clarification or have any questions, please don't hesitate to contact me.

Singerely

Kenneth A. Gross

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Assistant Treasurer



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463.

David Feinman, Treasurer
Next Generation
1440 New York Avenue, NW
Washington, DC 20005

APR 2 6 2000

Identification Number.

C00329862

Reference:

Year End Report (7/1/99-12/31/99)

Dear Mr. Feinman:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule B, supporting Line 21(b) of the Detailed Summary Page. 2 U.S.C. §434(b)(5) If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty days or more. 11 CFR §104.11

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements; of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed <u>during</u> a <u>each two year election cycle</u> beginning with the first report filed in the non-election year. Please verify that all expenses referenced above (i.e.,

rent, salaries, utilities, etc.) have been adequately disclosed. If these services have been provided by volunteers, please confirm this in writing.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

Antoinette Kitchen

Reports Analyst

Reports Analysis Division

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Per Cornersetion:

No Admin. expenses (rent,

Utilities, etc.) Are being disclosed.

How Does RAC Operate? Sens

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